

Message Text

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ACTION ARA-14

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L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 ACDA-07 SAB-02 AID-05 OES-07 HEW-04
AGRE-00 ERDA-05 EB-07 DLOS-09 COME-00 TRSE-00
INT-05 EUR-12 IO-13 FEAE-00 /137 W
-----039769 221923Z /47

R 221626Z JUL 77
FM AMEMBASSY CARACAS
TO SECSTATE WASHDC 8507

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 7344

E.O. 11652: GDS
TAGS: PFOR, VE
SUBJECT: PRESIDENT PEREZ TALKS ABOUT FOLLOW-UP TO
STATE VISIT

REF: STATE 168472

1. SUMMARY. DURING A LONG BREAKFAST CONVERSATION
JULY 20, PRESIDENT CARLOS ANDRES PEREZ (CAP): A)
EXPRESSED CONTINUED SATISFACTION WITH HIS VISIT; B) SAID
THAT WE SHOULD NOW WORK FOR CONCRETE THINGS TO FLOW FROM THE
VISIT AND MAINTAIN THE MOMENTUM OF OUR RELATIONS
MENTIONING IN THIS REGARD AGREEMENTS ON S&T, CANCER RESEARCH
COOPERATION, AND COOPERATION ON FOOD PRODUCTION RESEARCH
(CIEPE); C) SAID THAT HE WOULD ASK THE NEW FOREIGN MINISTER,
AMBASSADOR CONSALVI, TO FORM A GOV WORKING GROUP TO OVERSEE
FOLLOW-UP ON VARIOUS ITEMS AND TO WORK WITH THE EMBASSY ON THEM;
D) EXPRESSED PARTICULAR INTEREST IN CLOSE CONSULTATION ON NUCLEAR
ENERGY MATTERS INCLUDING THE PROBLEM OF PROLIFERATION; E) SAID
THAT HE WOULD BE FORMULATING SOME ADDITIONAL THOUGHTS REGARDING
BOLIVIAN ACCESS TO THE SEA AFTER PRESIDENT BANZER'S VISIT TO CARACAS
NEXT WEEK; F) EXPRESSED CONTINUED CONCERN ABOUT BELIZE AND PESSIMISM
ABOUT GUATEMALA'S FUTURE FLEXIBILITY ON THE ISSUE; G) EXPRESSED
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OPTIMISM ON THE CANAL NEGOTIATIONS BUT CONTINUED TO URGE SOME
KIND OF ECONOMIC DEVELOPMENT AID PACKAGE AS ONE WAY TO MEET WHAT
HE THOUGHT WERE INDISPENSABLE PANAMANIAN NEEDS; AND H) PROPOSED
QUIET INFORMAL CONSULTATIONS ON THE CARIBBEAN, WHICH IS
BEING REPORTED SEPARATELY. END SUMMARY

2. VISIT AND FOLLOW-UP. CAP EXPRESSED DEEP PLEASURE OVER ALL ASPECTS

OF HIS US VISIT. HE SAID HE WAS PLEASED AND IMPRESSED WITH HIS CONVERSATIONS WITH PRESIDENT CARTER AND BELIEVED THAT A NUMBER OF COMMON POINTS WERE ESTABLISHED ON WHICH FUTURE COMMON ACTION COULD BE BASED. HE WAS ALSO PLEASED WITH HIS OPPORTUNITY TO TALK TO SENATORS AND CONGRESSMEN AND THE CHANCE TO EXPLAIN HIS VIEWPOINT AND THAT OF THE THIRD WORLD ON VARIOUS ITEMS, PARTICULARLY ON PANAMA. (IT WAS IN THIS CONNECTION THAT I MENTIONED THE VISIT OF CODEL HOLLINGS, TO WHICH THE PRESIDENT RESPONDED NOTHING SHORT OF ENTHUSIASTICALLY, INVITING THEM TO A WORKING BREAKFAST- CARACAS 7267). HE WAS EQUALLY ENTHUSED OVER HIS CONTACTS WITH THE MEDIA AND THE PUBLICITY RECEIVED.

3. CAP SAID HE VIEWED THE VISIT AS THE BEGINNING OF A CLOSE RELATIONSHIP, AND THAT IT WAS NOW IMPORTANT THAT CONCRETE THINGS HAPPEN AND FLOW FROM THE VISIT SO THAT THE MOMENTUM IS MAINTAINED. IN THIS CONNECTION, HE SAID, THERE WERE-- IN ADDITION TO THE MAJOR AREAS OF COOPERATION DISCUSSED SUCH AS THE CARIBBEAN-- A NUMBER OF THINGS THAT WE SHOULD NOW PUSH. HE MENTIONED AS EXAMPLES, THE S&T AGREEMENT, COOPERATION IN CANCER RESEARCH, COOPERATION WITH REGARD TO THE USE IN VENEZUELA OF EXPERIMENTAL DRUGS, AND COOPERATION WITH REGARD TO THE FOOD RESEARCH CENTER (CIEPE).

4. CAP SAID HE FELT THE WHOLE AREA OF NUCLEAR ENERGY WAS A MAJOR AND PRIORITY AREA FOR CONSULTATION AND COOPERATION. THE WHOLE QUESTION OF NUCLEAR NON-PROLIFERATION, AND ADEQUATE DEVELOPMENT OF SAFE NUCLEAR ENERGY PRODUCTION WERE ALL ESSENTIAL
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MATTERS INWHICH VENEZUELA WAS VITALLY INTERESTED. HE WANTED TO DEVELOP THE CLOSEST COOPERATION CONSULTATION AND SUPPORT WITH US. HE ALSO MENTIONED THAT HE HAD AUTHORIZED MINISTER OF MINES HERNANDEZ TO RETURN TO VENEZUELA VIA WASHINGTON SO THAT HE COULD CONTINUE CONSULTATIONS WITH DR. SCHLESINGER. I EXPLAINED THAT SINCE THOSE DATES HAD NOT BEEN CONVENIENT, WE HAD PROPOSED CONSULTATIONS IN THE SEPTEMBER-OCTOBER TIMEFRAME PRECEDED BY A MEETING OF STAFF EXPERTS TO DEFINE AN AGENDA. HE WAS PLEASED WITH THAT PROGRESS.

5. CAP THEN SAID THAT HE WOULD ASK NEW FOREIGN MINISTER CONSALVI TO ESTABLISH A SMALL WORKING GROUP REPRESENTING VARIOUS ENTITIES OF THE GOV TO MONITOR AND OVERSEE THE FOLLOW-UP, AND TO LIAISON WITH THE EMBASSY ON THESE MATTERS. I TOLD HIM I THOUGHT THAT WAS A VERY USEFUL IDEA AND THAT A CENTRAL POINT LIKE THIS WHICH COULD SPEAK FOR THE GOV WOULD FACILITATE OUR CONSULTATIONS AND DISCUSSIONS.

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C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 7344

6. BOLIVIA-PERU-ECUADOR-CHILE. CAP NOTED THAT BOLIVIAN PRESIDENT BANZER WOULD BE VISITING CARACAS NEXT WEEK (JULY 27-29). HE SAID THAT HE WOULD FORMULATE SOME IDEAS AS TO THE BOLIVIAN MARITIME ACCESSS QUESTION AFTER HE HAD A CHANCE TO TALK TO BANZER. HE THEN REPEATED THE THESIS HE HAD EXPRESSED IN WASHINGTON: THE BEST WAY TO REDUCE TENSION IN THE AREA WAS TO CREATE A BOLIVIAN CORRIDOR TO THE SEA. THE BEST WAY TO DO THAT IN TURN WAS TO MAKE THE FORUMULA PART OF A LARGER ECONOMIC DEVELOPMENT PROGRAM FOR THE REGION INVOLVING INTERNATIONAL SUPPORT, INCLUDING PERHAPS THE IFI'S. HE SAID THAT HE THOUGHT PERU WOULD ACCEPT TERRITORIAL CONCESSIONS IN TERMS OF A CORRIDOR IF IT WAS PART OF A LARGER ECONOMIC DEVELOPMENT SCHEME. WHAT HE HAD IN MIND, HE SAID, WAS REGIONAL DEVELOPMENT AND SOME PROJECTS AROUND ARICA. HE SAID HE ALSO THOUGHT THAT A BOLIVIAN OFFER TO ALLOW TRIPARTITE EXPLOITATION (APPARENTLY THROUGH A MULTINATIONAL ENTITY OF THE MOTON IRON MINES WOULD BE A PARTICULAR INCENTIVE TO PERUVIAN-CHILEAN ACCEPTANCE OF THE MARITIME ACCESS FORMULA. IN ANY CASE, HE SAID AFTER HIS DISCUSSIONS WITH BANZER HE WOULD FORMULATE SOME CONCRETE IDEAS.

7. IN CONJUNCTION WITH THIS GENERAL TOPIC, HE SAID HE HAD THE IMPRESS
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ION OF SOME DETERIORATION IN THE PERUVIAN SITUATION, ESPECIALLY
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ECONOMIC, BUT WHICH HAD SOME RAMIFICATIONS POLITICALLY. HE NOTED ESPECIALLY HOW THE COMMITMENT TO ARMS PURCHASES BURDENED THE ECONOMY. ON THE ECUADOREAN SIDE, HE AGAIN OBSERVED HOW DEEP WERE ECUADOREAN FEARS OF PERUVIAN INTENTIONS REGARDING ECUADOREAN TERRITORY,

ESPECIALLY THE AMAZONIAN OIL REGIONS. ALL OF THIS WAS COMPLICATED BY RELATIVE POLITICAL WEAKNESS OF THE GOVERNMENT.

8. BELIZE. CAP SAID HE WAS STILL GRAVELY CONCERNED OVER THE BELIZE SITUATION. I DESCRIBED HOW WE SAW THE MATTER PER PARA 4 REFTTEL. CAP SAID THAT PRICE SEEMS TO HAVE HARDENED RATHER THAN SOFTENED IN HIS POSITION. NEVERTHELESS HE THOUGHT THAT PRICE WOULD AGREE TO SOME KIND OF JOINT EXPLOITATION OF THE CONTINENTAL SHELF. HE THOUGHT SOME "STRAIGHTENING OUT OF THE BORDERS" IN TERMS OF TERRITORIAL CONCESSIONS COULD BE WORKED OUT. HE SAID HE WAS WORRIED ABOUT THE INFLEXIBILITY OF THE GUATEMALAN MILITARY, ESPECIALLY THE CHIEF OF STAFF, WHO, HE SAID, WAS IN LINE TO REPLACE LAUGERUD AS PRESIDENT, AND WHO HE WAS AFRAID WOULD BE AN INFLEXIBLE HARD LINER. HE DID NOT THINK THE UK COULD RESIST INDEPENDENCE/SELF-DETERMINATION FOR LONG AND HENCE THE ISSUE WAS A FLASH POINT. HE THOUGHT THAT ANY MOVE BY THE GUATEMALAN MILITARY WOULD BE DISASTROUS. AT THAT POINT, HE SAID, THE UK AND US WOULD HAVE THE SUPPORT OF ALL THE BLACK CARIBBEAN. WHEN I MENTIONED THAT THE SECRETARY HAD MENTIONED TO BOTH SIDES THE POSSIBILITY OF MEDIATION, CAP DID NOT RPT NOT SHOW GREAT INTEREST. HE MUSED THAT PERHAPS IT MIGHT BE USEFUL AND PERHAPS IT SHOULD BE SOMEONE WHO IS NOT "FROM THIS HEMISPHERE". HE THOUGHT THAT PERHAPS ONE OF THE JUDGES OF THE INTERNATIONAL COURT MIGHT SERVE, NOT AS A JUDGE OF THE COURT BUT IN A PERSONAL CAPACITY AS A DISTINGUISHED JURIST. HE HAD NO PARTICULAR SUGGESTIONS TO MAKE AT THIS TIME OTHER THAN TO EXPRESS HIS PESSIMISM AND FEARS, AND HE SAID HE DID WANT TO DISCUSS THIS ITEM WITH AMBASSADOR

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YOUNG.

9. PANAMA. CAP SAID HE THOUGHT THE CANAL NEGOTIATIONS HAD TURNED THE CORNER. TORRIJOS HAD CALLED HIM AND WAS OPTIMISTIC. TORRIJOS HAD SUGGESTED HE MEET WITH CAP, LOPEZ MICHELSEN AND ODUBER WHEN THE TREATY DRAFT IS READY TO BE SIGNED. CAP SAID HE TOLD TORRIJOS THAT HE DID NOT WANT TO MEET UNTIL ALL NEGOTIATIONS WERE FINISHED. AT THAT TIME WHEN THE TREATY IS READY TO BE INITIALED, BOTH SIGNATORIES MIGHT INVITE ALL LATIN AMERICAN NATIONS TO BE PRESENT. THIS WOULD SERVE AS AN ENDORSEMENT FOR THE TREATY AND SHOULD AID ITS RATIFICATION IN BOTH COUNTRIES. THE TROUBLE WITH THAT, CAP MUSED, IS THAT HEMISPHERE RIVALRIES WOULD BE INVOLVED. HE DOUBTED THAT CUBA OR CHILE WOULD BE HAPPY WITH THIS IDEA, BUT IN ANY CASE A NUMBER OF NATIONS WOULD BE WILLING TO COME TO SHOW ENDORSEMENT OR SUPPORT OF THE TREATY AND THE SIGNATORIES.

10. I MENTIONED TO CAP THAT WE WERE STILL APART ON THE ECONOMIC PROVISIONS. CAP REPEATED A SUMMARY OF HIS CONVERSATION WITH AMBASSADORS BUNKER AND LINOWITZ, AND THE PANAMANIAN

ARGUMENTS. HE SAID THE ANSWER LAY IN HELPING PANAMA MEET ITS ECONOMIC PROBLEMS AND THAT THE COOPERATION OF IFI'S OUGHT TO BE WORKED IN. SOME PACKAGE HAD TO BE AVAILABLE SO THAT TORRIJOS COULD DEMONSTRATE TO HIS PEOPLE THAT SOMETHING HAD CHANGED WITH THE TREATY. THE NEED FOR PANAMA TO BE IN A VIGOROUS POSITION BY THE YEAR 2000 WAS A SUITABLE PREMISE FOR FASHIONING SUCH AID.

11. I ALSO MENTIONED THAT NEW DEMANDS HAVE BEEN MADE REGARDING LANDS AND WATERS WHICH HAVE COMPLICATED THINGS (PARA 7 REFTTEL). HE MADE NO COMMENT, BUT APPEARED TO BE UNFAMILIAR WITH WHAT I WAS SAYING.

12. CARIBBEAN. CAP PROPOSED CONSULTATIONS ON THE CARIBBEAN, AND THIS IS BEING REPORTED BY SEPTTEL.
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